



What a difference a year makes

There is simply not one word that can characterise our work over the past six months. This has been hard, demanding, satisfying, rewarding and just occasionally fun, owing to the effects of the banking crisis, the credit crunch and the ongoing recession. As we enter the summer months we are slowly hearing stories of green shoots, as if by some wave of a magic wand we can predict that the worst is over and that with nothing more than human will power we are over the worst.

The economic climate

It has been exactly one year since we became MCR and in that time a lot has happened. We are confronted with the fastest economic decline since the 1930s, the fastest rising level of unemployment since the 1970s and an unparalleled level of corporate insolvencies.

And yet we cannot with any certainty predict that the worst is now over. Green shoots or not, what is certain is that we are in a perfect storm of a downturn, with credit is short supply, corporate failures mounting and the human cost as a result of unemployment increasing.

It will come as no surprise then that the number, size and complexity of the cases that we have managed on behalf of clients have increased.

MCR's approach

We have responded successfully to the challenge of mobilising the experience, expertise and resources needed to deliver solutions to clients on administrations that have ranged from cases that required the 40 or more MCR people on day one, like the MFI Group and the Folio Hotels Group, to highly complex cases that required the attention of three or four of our partners and senior managers like Blue Sky Capital and Weaving

Capital UK Limited, both from the financial services market.

Protecting the assets and interests of clients has led to our partners, managers and staff working on sites from Aberdeen in the north east of Scotland to Penzance in the south west of England and to their participation in court proceedings and negotiations, on behalf of clients, in Europe and the USA. We are a rapid response team and go where we are needed, quickly.

MCR's ethos

Fortunately, we have built a specialist practice, unique in the UK, of pure corporate restructuring, advisory, turnaround and insolvency people and staff. We believe in recruiting people who share our values and in training them in the MCR way. Our young people are delivering; they are enthusiastic, intelligent, buy-in to our culture and receive good training from our managers.

We have recruited 14 placement students from universities this last month alone. Last year we increased our staff numbers by something like 50 people to ensure that we could satisfy the needs of our clients if and when the recession happened. Many of these recruits were at the manager and assistant manager level. We've also recruited people with deep domain knowledge of specific sectors; Steve Manwaring for travel; Richard Blank for financial markets.

And it has not stopped there. We have promoted both Sallyanne Pitt and Matt Bond from within our ranks to partners in a move that will strengthen further our mid-market and large corporate offering.

Plus the same core team that was here when we started MCR is here now with eight more years' experience, contacts, relationships, solutions and expertise. We've been

round the block, seen it before in the 90s and are complemented and supported ably by our colleagues in Manchester who have delivered outstanding results for clients since we opened there in October 2007.

The next 18 months

All of these things have helped us to anticipate and respond effectively to the wants and needs of our clients. We've run short of office space in both London and Manchester but have taken action to increase the size of each of these offices with new space coming available in Manchester this month and a new dedicated office on Wigmore Street, London.

So far our ABL clients generally do not seem to have had a dramatic rise in client failures. This to me is testament that asset-based lending is a safe way to lend money and when we emerge from the downturn, asset-based lending will be even more important.

2009 has already been an extremely busy year for MCR and there is every likelihood that the next 18 months will become increasingly busy. In these uncertain times there can only be one certainty: effective preparation for any eventuality will ensure that we can deliver immediate results for our clients. MCR is well positioned and resourced to help our clients maximise recoveries on every distressed situation large or small.



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